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COLORADO BEGINS TO IMPLEMENT NATIONAL HEALTH REFORM

Gov. Bill Ritter today began enacting national healthcare reform in Colorado, issuing an executive order that names a director of implementation and creates a new inter-agency task force. The Governor also signed into law four bills that will enhance the state's nationally recognized health reform initiatives.

"Colorado has never waited for Washington on healthcare reform, and we aren't about to start waiting now," Gov. Ritter said. "Because of our efforts the past few years, Colorado is better positioned than most states to make the most of national reform. National reform allows us to accelerate and build on our work to provide higher quality care at lower costs to more Coloradans. Today marks a new chapter for healthcare in Colorado."

The Governor's executive order names Lorez Meinhold, the Governor's healthcare policy expert, as director of national reform implementation for Colorado. It also establishes a new inter-agency implementation board to be chaired by Joan Henneberry, executive director of the Colorado Department of Health Care Policy and Financing.

As states assume the critical role of implementing multiple aspects of reform, the board will recommend specific strategies for putting national reform into practice in Colorado. It will provide advice, guidance, and recommendations to keep Colorado among the leading states for improving quality, reducing waste, controlling costs and making care and coverage more available.

While national reform will be implemented over several years, Colorado is not waiting to deliver the reforms that are needed today. Gov. Ritter today signed four pieces of legislation that will advance Colorado's reform initiatives by increasing and strengthening the state's healthcare workforce and helping consumers obtain insurance policies that are written in plain, easy-to-understand language.

"These bills move Colorado forward in simple and common sense ways," Gov. Ritter said.

We're making insurance policies more understandable while also growing the state's nursing and primary care workforce."

The bills are:

- House Bill 1004, Explanation of Benefits (Massey/Foster), protects consumers and helps them better understand their insurance coverage by standardizing policy forms and the explanation of benefits.
 - "It is important for people to understand their policies," said Sen. Joyce Foster. "We need to protect consumers. There needs to be a standard form for all carriers so people can compare policies when buying insurance and know what they are getting."
- House Bill 1166, Plain Language (Kefalas/Newell), requires health and auto policies to be written in plain language at consumer-friendly reading levels.
 - "Information that significantly affects your life should be easy to understand," Rep. John Kefalas said. "If you can't understand what your policy does or doesn't do, you can't make informed decisions. By making information clear, policyholders will be able to hold their insurance company accountable."
 - "You shouldn't need a law degree to understand your insurance policy. This bill is about helping consumers stick up for themselves. It's about reading your policy and understanding what it means," said Sen. Linda Newell.
- House Bill 1138, Colorado Health Services Corps (Gagliardi/Morse), improves existing public and private loan repayment programs for healthcare professionals to practice in rural and underserved communities and will grow the state's primary care workforce.
 - "Instead of losing our great doctors, dentists and mental health professionals to higher-paying jobs in larger cities, this bill will give rural communities access to great medical care, something every community deserves," said Rep. Sara Gagliardi.
 - "This is as much a jobs bill as it is a healthcare bill," Sen. John Morse said. "Colorado desperately needs qualified doctors and nurses in these communities and this bill will help get them there. It's the right thing to do. Under-served doesn't mean un-deserved. Coloradans statewide need to have equitable access to quality health care and this bill will ensure our residents have every possible resource to lead healthy lives."
- Senate Bill 58, Nurse Education (Tapia/Gagliardi), improves the state's existing nurse loan forgiveness program by extending its current eligibility requirements. The new program will result in more nurse faculty and ultimately the number of new nurses that can be trained each year.

"Colorado is in great need of nurses," Sen. Abel Tapia said. "This program will serve as an added incentive to bring qualified instructors into the classroom and ensure they are well compensated for their time. This bill is good for Colorado jobs and good for Colorado health care."

"I've worked as a licensed practical nurse since 1977," Rep. Gagliardi said. "I can say from experience that the lack of nursing instructors in our colleges and universities is becoming a serious problem. The Nursing Teacher Loan Forgiveness Program will encourage nurses to enter the field and share their skills."

How Colorado Will Benefit from National Health Care Reform

- Colorado is better positioned than most states to make the most of national reforms because of initiatives begun by Gov. Ritter and the legislature the past several years.
- National reforms will lower health care costs for Colorado families and small businesses. A new study shows that implementing national reforms in Colorado can reduce the cost of private insurance premiums by 10 percent to 25 percent.
- Coupled with state-led efforts such as the Colorado Healthcare Affordability Act, national reform will provide coverage to 500,000 uninsured Coloradans.
- National reform will provide tax credits for up to 68,800 Colorado small businesses to help make coverage more affordable.
- National reform will increase funding to 160 community health centers in Colorado.
- Expanding health insurance coverage will strengthen the economy and create new jobs for Coloradans as many 23,000 new jobs by 2019, according to a new study.

Key Provisions of National Reform and When They Take Effect

- Requires insurance companies to allow young people to stay on their parents' policies until age 26. **Takes Effect: Within 6 months**
- Prohibits rescissions, restricts annual limits on coverage and precludes insurers from denying coverage to children because of a pre-existing condition. Takes Effect: Within 6 months
- Provides tax credits to small businesses to help cover employee premiums.
 Takes Effect: Within 6 months

- Prohibits health insurance companies from discriminating against adults because of a pre-existing condition. **Takes Effect: 2014.**
- Provides tax credits and subsidies for low- and moderate-income families to offset the cost of insurance premiums. **Takes Effect: 2014.**

Additional Benefits for Consumers and Public Health Programs

- Reduces family health insurance premiums by \$1,510 \$2,160 without reducing benefits, as compared to what they would be without health reform by 2016.
- Closes the Medicare prescription "donut hole" coverage gap.
- Establishes a tax on high-cost plans to control rising insurance premiums.
- Boosts Medicaid primary care reimbursements to physicians to 100 percent of Medicare for two years with federal dollars.
- Increases the number of primary care doctors, nurses and physician assistants through new investments in student loan programs and other incentives.
- Institutes new patient care models in Medicare and Medicaid, such as Accountable Care Organizations (ACOs) and medical homes, as well as other payment reforms intended to link payment with quality outcomes.